



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 864
LOS ANGELES, CALIFORNIA 90012**

Wednesday, December 17, 2014

2:00 PM

AUDIO LINK FOR THE ENTIRE MEETING. (15-0096)

Attachments: [AUDIO](#)

Present: Lori Glasgow, Vice Chair James Blunt, Dorinne Jordan, Kieu-Anh King and Carl Gallucci

I. ADMINISTRATIVE MATTERS

1. Call to Order. (14-5089)

The meeting was called to order by Lori Glasgow at 2:00 p.m.

2. Approval of the October 15, 2014 meeting minutes. (14-5090)

On motion of Lori Glasgow, and by Common Consent, there being no objection, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICIES

3. Recommendation to extend the sunset review date of Board Policy No. 5.120 - Authority to Approve Increases to Board Approved Contract Amounts (10/15/14). (14-4790)

James Blunt questioned the process on sunset reviews for policies. Frank Chang, Chief Executive Office (CEO) indicated that it is standard practice for board policies to be reviewed every four or five years.

Lori Glasgow asked CEO staff to provide information regarding the sunset review process at the next meeting.

On motion of James Blunt, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

4. Recommendation to approve amendments to Board Policy No. 3.115 - County of Los Angeles Vending Machine Nutrition Policy and extend the sunset review date to October 21, 2018 (10/27/14). (14-5139)

On motion of Kieu-Anh King, seconded by James Blunt, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

5. Recommendation to approve substantive changes to Board Policy No. 9.140 - Hard Hiring Freeze, extend the sunset review date to February 10, 2019 and submit to the Board of Supervisors for final action. (14-5254)

Lori Glasgow asked for clarification on the changes to the policy. Matt McGloin, Chief Executive Office, explained that the language on the policy was clarified to identify each department's responsibility during a hiring freeze.

On motion of Kieu-Anh King, seconded by James Blunt, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

III. SUNSET REVIEWS

6. Recommend to the Board of Supervisors to extend the Los Angeles County Commission for Older Adults sunset review date to July 1, 2018 (12/3/14). (14-5612)

On motion of Kieu-Anh King, seconded by James Blunt, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

7. Recommend to the Board of Supervisors to extend the Los Angeles County Small Craft Harbors Design Control Board sunset review date to March 31, 2019 (12/11/14). (14-5707)

On motion of Kieu-Anh King, seconded by James Blunt, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

IV. OLD BUSINESS

8. Recommendation to approve substantive changes to the following Board Policies, extend the sunset review dates to December 31, 2018 and submit to the Board of Supervisors for final action (Continued from meeting of 10/15/14):

6.100 - Information Technology and Security Policy
6.101 - Use of County Information Technology Resources
6.102 - Countywide Antivirus Security Policy
6.103 - Countywide Computer Security Threat Responses
6.104 - Electronic Communication
6.105 - Internet Usage Policy
6.106 - Physical Security
6.107 - Information Technology Risk Assessment
6.108 - Auditing and Compliance
6.109 - Security Incident Reporting
6.110 - Protection of Information on Portable Computing Devices
6.111 - Information Security Awareness Training
6.112 - Secure Disposition of Computing Devices (9/3/14). (14-4069)

On motion of Kieu-Anh King, seconded by James Blunt, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

9. Recommendation to approve the following:
- Substantive changes to Board Policy No. 3.040 - General Records Retention and Protection of Records Containing Personal and Confidential Information, extend the sunset review date to October 3, 2018 and submit to the Board of Supervisors for final action.
 - Proposed Board Policy No. 3.041 entitled Protection of Records Containing Personal and Confidential information for submission to the Board of Supervisors for final action. (9/19/14) (Continued from meeting of 10/15/14). (14-4401)

On motion of Lori Glasgow, and by Common Consent, there being no objection, this item was continued to the February 2015 meeting.

Attachments: [SUPPORTING DOCUMENT](#)

- 10.** Department of Children and Family Services - Review of Trust Funds (4/30/14)
(Continued from the meetings of 5/21/14 and 10/15/14). (14-2040)

Kieu-Anh King questioned the process regarding the discharge of the remaining balance of trust fund accounts. Rogelio Tapia, Department of Children and Family Services (DCFS), introduced James Crum, Child Support Services Department (CSSD) who provided an overview of the Child Support Trust Fund Account. Mr. Crum indicated that as of June 2014, after adjustments, the remaining child support trust fund balance is \$8.8 million instead of the previously noted \$10 million, the trust fund accounts of approximately 5,240 children are involved. Mr. Crum also stated that CSSD is working in collaboration with DCFS and the State of California to resolve the issue.

In response to questions posed by the Committee, Mr. Crum confirmed that at least two percent of the remaining balance belongs to the trust funds accounts of the involved children; duplicate accounts were found and the balance is \$8.8 million.

Kieu-Anh King asked Auditor-Controller (A-C) staff if they agreed with the remaining balance of \$8.8 million instead of \$10 million . Don Chadwick, A-C, indicated that the A-C is unable to agree with the statement.

Lori Glasgow asked why the amount of \$800,000 went to the state for review. Mr. Crum indicated that the state instructed CSSD to make adjustments outside of the new system, money will be used to pay back grants.

Lori Glasgow expressed concern regarding information on the report not being accurate. Mr. Crum indicated that the report was furnished before adjustments were made.

Kieu-Anh King requested that DCFS staff submit a memo regarding the resolution of the trust fund accounts via email to the Audit and Children Deputies.

Lori Glasgow requested that CSSD staff provide an update with the most recent information at the next meeting.

On motion of Kieu-Anh King, seconded by Carl Gallucci, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

11. Community and Senior Services - Reviews of Workforce Investment Act Service Providers - Fiscal Year 2012-13 Summary Report (5/21/14) (Continued from the meetings of 7/16/14 and 10/15/14). (14-2471)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)
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12. Community and Senior Services - Reviews of Workforce Investment Act Summer Youth Work Experience Program Service Providers - Fiscal Year 2013-14 Summary Report (5/21/14) (Continued from the meetings of 7/16/14 and 10/15/14). (14-2472)

Kieu-Anh King expressed concern regarding worksites not compliant with safety regulations. Jackie Sakane, Community and Senior Services, indicated that a new evacuation and emergency training plan is under development, current and potential work site providers will be required to work with a third party to ensure that they are in compliance with the Americans with Disabilities Act (ADA) regulations.

Lori Glasgow asked if Community and Senior Services meets on a regular basis with the Social Service cluster. Ms. Sakane confirmed that the redesign of the process is under development and will include meeting with the Social Service cluster. In response to a question posed by Lori Glasgow in regards to a recently passed motion by Supervisor Solis, about the development of a registry, Ms. Sakane confirmed acknowledgement of the registry.

On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

13. AIDS Healthcare Foundation - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (7/30/14) (Continued from the meetings of 8/20/14 and 10/15/14). (14-3567)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

14. Anne Sippi Clinic Treatment Group - A Department of Mental Health Service Provider - Contract Compliance Review (8/26/14) (Continued from the meeting of 10/15/14). (14-3924)

Kieu-Anh King expressed concern regarding fiscal issues. Elaine Boyd, Auditor-Controller (A-C), confirmed that a memo from the Department of Mental Health (DMH) indicating that all issues have been resolved was received. Ms. Boyd also indicated that in the effort to correct fiscal issues, the agency hired a Certified Public Accountant (CPA) to assist and provide fiscal control.

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

15. Semi-Annual Fraud Hotline Status Report - January 1, 2014 through June 30, 2014 (9/10/14) (Continued from the meeting of 10/15/14). (14-4183)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

16. Internal Services Department - Commitments, Accounts Payable, and Trust Accounts Follow-Up Review (9/24/14) (Continued from the meeting 10/15/14). (14-4490)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

17. Sodexo America, LLC - A Department of Health Services Housekeeping Services Contract Service Provider - Contract Compliance Review (9/30/14) (Continued from the meeting 10/15/14). (14-4504)

On motion of Dorinne Jordan, and by Common Consent, there being no objection, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

V. REPORTS

18. Community and Senior Services - Fiscal Monitoring Of Area Agency On Aging Program Services For Fiscal Year 2012-13 (10/9/14). (14-4700)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

19. California State University Long Beach Research Foundation - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (10/14/14). (14-4778)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

20. Foothill Family Service - A Department of Mental Health and Department of Children and Family Services Provider - Contract Compliance Review (10/15/14). (14-4781)

Kieu-Anh King expressed concern regarding the inadequate diagnosis of clients' symptoms. Elaine Boyd, Auditor-Controller (A-C), indicated that future discussions with the Department of Mental Health (DMH) regarding the use of other methods for statistical sampling are currently under development. Don Chadwick, A-C, added that he will notify DMH to provide an update at the next meeting.

Lori Glasgow questioned if training was the key to the current issues and what other problem areas have been identified. Ms. Boyd, A-C, indicated that due to the differences in state and local agencies policies, training was not consistent. Ms. Boyd indicated that another area which needs to be addressed is the inability to obtain a child's signature at the times services are provided.

On motion of Kieu-Anh King, seconded by Carl Gallucci, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

21. Hub Cities Consortium - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2013-14 (10/17/14). (14-4785)

Kieu-Anh King expressed concern regarding the agency's inability to obtain criminal records clearances for employees. Elaine Boyd, Auditor-Controller (A-C), clarified that the agency provided a statement indicating that clearances were obtained; however, the agency did not provide proof of the clearances. Adrian Romero, Community and Senior Services, indicated that as of December 16, 2014 the agency submitted a corrective action plan; however, Mr. Romero could not confirm if the criminal clearances were included. Mr. Romero will verify and provide an update via email to Committee members.

On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

22. Quarterly Report on Impact of Health Care Reform on County Cash Flows (Board Agenda Item 36-A, June 25, 2013) (10/21/14). (14-4786)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

23. Fiscal Year 2014-15 Cash Flow Projection (10/21/14). (14-4787)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

24. Department of Medical Examiner-Coroner - Follow-Up of the Fiscal Review and Management Audit Reports (10/22/14). (14-4800)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

25. Options - A Child Care and Human Services Agency - A Department of Public Social Services CalWORKs Stage One Child Care Services Program Provider - Contract Compliance Review (11/3/14). (14-5073)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

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26. District Attorney's Asset Forfeiture Fund (11/3/14). (14-5074)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

27. Public Safety Realignment Act (AB109) Review - Probation Department - Fiscal Year 2013-14 (11/3/14). (14-5077)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

28. Human Services Association - A Department of Public Social Services Domestic Violence Support Services Program Provider - Contract Compliance Review (11/4/14). (14-5083)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

29. Legal Aid Foundation of Los Angeles - A Department of Public Social Services Community Service Block Grant Program Provider - Contract Compliance Review (11/4/14). (14-5084)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

30. Tender Care Home Health - A Department of Health Services Home Health Services Contract Service Provider - Contract Compliance Review (11/4/14). (14-5085)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

31. International Institute of Los Angeles - A Department of Public Social Services CalWORKs Stage One Child Care Services Program Provider - Contract Compliance Review (11/5/14). (14-5140)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

32. HIPAA and Hitech Act Compliance Review - Rio Hondo Mental Health Center (12/1/14). (14-5586)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

33. Tobinworld - A Department of Mental Health Service Provider - Program Review (12/3/14). (14-5587)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

34. Status Report - Extension Request For The Review of Alleged Duplicate Registered Voter Records (Board Agenda November 5, 2014, Item 70-A)(12/4/14). (14-5590)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

35. Fiscal Year 2014-15 First Quarter Report on Audit - Related Funding Transferred From General Fund Departments (12/9/14). (14-5691)

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

36. Santa Anita Family Service, Inc. - A Community and Senior Services and Department Of Public Social Services Programs Provider - Contract Compliance Review (12/12/14). (14-5737)

Kieu-Anh King expressed concern regarding the agency's financial records. Jackie Sakane, Community and Senior Services, indicated that the agency is working on a plan to re-allocate costs, has hired a new Chief Financial Officer and has submitted new financial records; a review will be scheduled soon.

Kieu-Anh King asked if the agency has been placed on Contractor Alert Reporting Database (CARD). Ms. Sakane confirmed that the agency is not yet on CARD.

On motion of Carl Gallucci, seconded by James Blunt, this item was continued to the February 2015 meeting.

Attachments: [SUPPORTING DOCUMENT](#)

VI. DISCUSSIONS

37. CSS Monitoring Update (Continued from the meeting of 10/15/14). (14-3196)

Adrian Romero, Community and Senior Services (CSS), provided an overview on financial reports. Jackie Sakane, CSS, added that Career Partners is no longer conducting business; however, questioned costs related to the agency have not been resolved. The State of California is expecting audits justifying expenditures.

Kieu-Anh King asked what type of funds were obtained by the agency and to whom is a payment owed. Ms. Sakane indicated that the agency obtained Federal funding and the Employment Development Department would have to be paid prior to other parties involved. Ms. Sakane added that an audit was conducted; however, it was not issued due to the agency having significant cost allocation issues.

Lori Glasgow asked if any lessons can be used to improve business practice . Ms. Sakane indicated that new standards and requirements for existing and future contractors have been implemented.

38. DPH-DHSP Monitoring Update. (14-5252)

Don Chadwick, Auditor-Controller (A-C), indicated that he would be notifying the Department of Public Health representatives of the next Committee meeting.

39. Contract Monitoring Database of Reviews (CMDR) Update (Continued from the meeting 10/15/14). (14-4615)

Aggie Alonso, Auditor-Controller (A-C), presented an overview of the newly implemented Contract Monitoring Database of Reviews (CMDR) and answered questions posed by the Committee. Don Chadwick, A-C, added that all County departments have access to CMDR.

40. CARD - Status Report. (14-5091)

Jason Stempinski, Auditor-Controller (A-C), provided an update on the Contractor Alert Reporting Database (CARD). Mr. Stempinski indicated that a Contractor was added to CARD.

Mr. Stempinski added that job order contractors can be placed in CARD; however, they are not negatively impacted. Aggie Alonso, A-C, added that Santa Anita will be recommended for CARD.

Kieu-Anh King asked why the Department of Health Services (DHS) Contractors' are not on CARD. Mr. Stempinski indicated that the Auditor-Controller Department is currently working with several DHS contractors' and an update will be provided at the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)
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- 41. Pending Audits/Monitoring Reports. (14-5092)**

No reports were presented.

VII. MISCELLANEOUS

- 42. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (14-5093)**

- 42A. At the request of Lori Glasgow, an item regarding the Audit Committee's schedule of future meetings will be included on the next meeting agenda for discussion and appropriate action. (15-0359)**

- 43. Public Comment. (14-5094)**

No members of the public addressed the Committee.

- 44. Adjournment. (14-5095)**

There being no further business to discuss, the meeting adjourned at 3:16 p.m.